

STATEMENT OF PURPOSE

RS21073

Idaho Corporate Tax Incentive Accountability Act

It is the purpose of this legislation to enhance accountability for companies receiving \$40,000 or more in Idaho corporate tax incentives, credits and other state economic development expenditures. When enacted, this legislation will create a simple annual reporting process that includes information on the number and type of jobs created, wages by category, part time and full time and seasonal status as well as whether health care benefits are offered. Currently confidentiality prohibits the tax commission from disclosing tax information. In addition, the commission has little or no information on the wages, jobs and benefits provided by corporations benefiting from Idaho tax incentives. With this information reported to the tax commission, the legislature will have the data needed to be able to calculate the fiscal impacts, positive or negative of the state's various tax incentives and to assist the legislature in evaluating which provide net economic benefits to the state and the tax payers who fund them.

FISCAL NOTE

Printing costs to mail the one page form and instructions to the fewer than 2000 medium and large Idaho business that might qualify would be less than \$2,000. One sixth of an FTE to process the data and one sixth of an analyst's time to compile the report would add a maximum of \$17,000 in costs for a total of \$19,000 in immediate fiscal impact. Within two or three years these costs should be offset by potentially millions in saving to the general fund as some incentive programs are reevaluated and rewritten to provide the state more economic benefits and stronger returns.

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